

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION**

DEPOSITORS INSURANCE COMPANY,)
)
Plaintiff,)
)
vs.) Case No. 4:07CV00264 ERW
)
HEARTLAND BANK, et. al.,)
)
Defendants.)

MEMORANDUM AND ORDER

This matter comes before the Court on Plaintiff's Motion for Default Judgment [doc. #24]. A hearing was held on September 20, 2007, and the Court heard arguments from the parties on the Motion. At the hearing, the Court requested that the parties provide additional briefing to the Court regarding the Court's jurisdiction to enter default judgment along with additional briefing regarding transferring the above-captioned case to the Bankruptcy Court. This matter has now been fully briefed.

A bankruptcy judge may hear a proceeding that is not a "core proceeding but that is otherwise related to a case under title 11. . ." 28 U.S.C. §157(c)(1). The Court finds that the adversary proceeding before the Bankruptcy Court is a non-core proceeding, "related to" case under title 11. It shares a nexus with the bankruptcy case and will have some conceivable effect on the administration of the Debtor's Estate. *See Williams v. Citifinancial Mortgage Co.*, 256 B.R. 885, 891 (2001). The Court sees no need to require the parties to litigate the same issues before both this Court and the Bankruptcy Court. Transferring this action to the Bankruptcy Court is proper under 28 U.S.C. § 157 and Local Rule 9.01(B)(1), fosters the economical use of debtors' and creditors' resources, and serves the interests of judicial economy.

ACCORDINGLY,

IT IS HEREBY ORDERED that the Clerk's Entry of Default [doc. #23] is set aside.

IT IS FURTHER ORDERED that Plaintiff's Motion for Default Judgment [doc. #24] is
DENIED.

IT IS FURTHER ORDERED that cause number 4:07CV00264 is transferred to the
United States Bankruptcy Court for the Eastern District of Missouri.

So Ordered this 10th Day of October, 2007.



E. RICHARD WEBBER
UNITED STATES DISTRICT JUDGE